

Dear Insurance and Real Estate Committee Members,

My name is Michele Mudrick and I work as a Congregational Organizer with the Christian Activities Council in Hartford and the Connecticut Conference of the United Church of Christ.

On behalf of the 244 Congregations I represent, I am writing in support of Senate Bill 596- An Act Concerning the Duties of the Connecticut Health Insurance Exchange. I am writing in support to direct the Connecticut Health Insurance Exchange to actively negotiate, on behalf of consumers, health insurance premiums with insurers for qualified health plans offered through the exchange.

It is my faith calling me to do this work. I feel everyone, all of God's people, deserve access to quality, affordable health care. The Health Insurance Exchange will give folks access to health care, but it being affordable is a key concern. We need policies on the Health Insurance Exchange that people can afford. The policies out there now, people can not afford. That is one reason why over 400,000 people in our state do not have health insurance.

It will help consumers if the Health Insurance Exchange actively negotiates with insurers the health insurance premiums for the health plans that will be offered on the exchange. Connecticut's exchange is expected to enroll from 250,000 to 300,000 people, more than any employer group in the state, including the state employee plan. Unfortunately Connecticut's exchange has decided not to actively negotiate premiums with plans applying to participate in the very lucrative exchange marketplace.

Not only is it the right and moral thing to do, it is what makes sense. Ninety percent of large United States employers use competitive bidding to select health plans for their employees. Massachusetts's exchange negotiates premiums with insurers keeping the rate of premium increase inside the exchange half what it is outside – saving Massachusetts consumers between \$16 and \$20 million in 2010 alone. In contrast, Utah's exchange does not negotiate and accepts any plan that meets minimal qualifications, as Connecticut's exchange is planning, and premiums are higher inside the exchange than outside.

The small businesses in our state need help in getting health insurance for their workers. Small businesses pay 18% more than large companies on average, because they don't have sufficient clout to negotiate. We need to help small businesses so they can afford the plans offered on the Health Insurance Exchange.

Five large Connecticut insurers have officially signaled their intent to participate in the exchange. Massachusetts's exchange, with premium negotiation, attracted a new insurer to their state and California, the leader among state exchanges, is planning to negotiate in their first year. Thirty plans have sent letters of intent to participate.

Connecticut's insurance market is more competitive than Massachusetts's or the United States average, so this is enough to support negotiation. Research has shown that consumers want someone to sort out the confusing array of insurance options to give



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"Breaking Barriers/Building Communities"

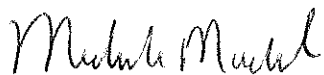
them the best value, most affordable plans. Evidence from Medicare Part D plans found that, because of the confusing number of plans, only 5.2% of consumers choose the most effective choice for their needs.

We need to implement active purchasing now. Too often consumers have been told that we need to accept a substandard program or policy and it will be fixed later. But later never happens. We are still "fixing" HUSKY sixteen years later. Charter Oak was never fixed.

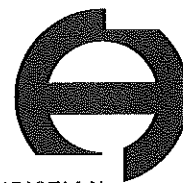
Please do what is right, just and moral and support to direct the Connecticut Health Insurance Exchange to actively negotiate, on behalf of consumers, health insurance premiums with insurers for qualified health plans offered through the exchange.

Thank you.

Blessings,



Michele Mudrick
Congregational Organizer



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